UTAH ENERGY CORPORATION
1300 S Highway 191
Post Office Box 1346
Moab, Utah 84532
(435) 259-2333 Office
(435)259-9864 Fax
www.WhiteCanyonUranium.com.au

September 23, 2008

State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

Attn: Paul Baker or Susan White

Re: Additional Information for Daneros Mine Project, S0370121, Task 2006, San Juan County, Utah

To Whom It May Concern:

Attached is a hard copy of the information we sent to the BLM in response to their "Plan of Operations Not Complete" Letter. Please insert the information in your "Notice of Intention to Commence Small Mining" binder.

If you have any questions, please contact this office at your earliest convenience.

Sincerely,

Ruth Ann Smart

Ruth Ann Smart
Compliance

Attachments-2 packets: 1 original, 1 copy

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September 22, 2008

BLM
Monticello Field Office
PO Box 7
Monticello, UT 84535

Attn: Ted McDougall

Re: Additional Information for Plan of Operations, UTU-74631, Daneros Mine Project, San Juan County, Utah

Mr. McDougall:

Attached is additional information in response to BLM's "Plan of Operations Not Complete" letter dated September 10, 2008.

Please add the revisions to the Plan of Operations binder as referenced by the attached table. In addition, replace the Table of Contents with the one attached. (Note: Changes to information in the body of the NOI are typed in orange.)

With regards to your verbal request to make contact with the adjoining property owner, John Hasleby of Utah Energy Corp has contacted Uranium One, notified them as to our proposed plan and requested an onsite with them.

The current copy of our Plan of Operations does not have any sensitive information that cannot be shared with the public; therefore, it may be used for public review.

If you have any questions, please contact this office at your earliest convenience.

Sincerely,

Kelly Shumway
Vice-President

Attachments: 2 packets-1 original, 1 copy

Additional Information for Plan of Operations, UTU-74631, Daneros Mine Project, San Juan County, Utah

BLM Item No	Location of UEC's response	Further actions required to update existing UEC Plan of Operations
1.	o Plan 12. Historical Disturbance o UEC Plan of Operations, Page10, No. 7	- Insert Plan 12 behind Plan 11 - Replace 7 to 12 with attached pages 7 to 12
2.	o Item B. Project Schedule – revised	- Replace Item B with attached Item B
3.	o "Item B. Daneros-Workforce and Work Schedules" page insert	- Insert Item B at Item B tab
4.	o Plan 7-A. Proposed Drilling East o UEC Plan of Operations, Pages 9, No T, and 10, IV A 4	- Insert Plan 7-A behind Plan 7 - Replace pages 7 to 12 with attached 7 to 12
5.	o UEC Plan of Operations, Page 7, No. F 1	- Replace pages 7 to 12 with attached pages 7 to 12
6.	o UEC Plan of Operations, Page 10, No. 6	
7.	o UEC Plan of Operations, Page 9, No. P, Q, R, S	
8.	o UEC Plan of Operations, Pages 9 and 10, No. V	
9.	o Item X. Gamma Survey o Plan 11. Baseline Gamma Survey Map	- Insert Item tab and Item X behind Item S - Insert Plan 11 behind Plan 10-B
10.	o UEC Plan of Operations, Page 5, No. B 2	- Replace page 5 with attached page 5
Verbal	o UEC Plan of Operations, Page 9, No. U o Item Y. Noxious Weed and Invasive Plant Control	- Insert Item tab and Item Y behind Item X - Replace pages 7 to 12 with attached pages 7 to 12.

***NOTE:** Gray divider pages are for separation of information only and can be discarded*

TABLE OF CONTENTS

UTAH ENERGY CORPORATION

Notice of Intention to Commence Small Mining Operations

(N37° 35.753' W110° 11.576) over the period of mine operations. Access to the restricted section would be restored once mine operations cease.

E. **Waste Disposal** (Item C, C-1)

1. **Waste material is the same as the material that currently exists on the surface. This material will be reclaimed in place at a 2:1 slope.**
2. **Enough space is available to deposit calculated volumes of waste material on site as outlined.**
3. **Amount of unknown ore development waste will be backfilled in worked out slope in mine.**
4. **SWPPP as presented by SWI** (Plan 10-A, 10-B)

F. **Water Services**

1. **Water well will be drilled along access road at the west end of waste pile** (Plan 6). **The well will be drilled to the Cutler White Rim Aquifer (Fry Canyon Store well is also located in the aquifer). Quality is unknown, but water will be used only for mine operations and dust suppression. Well will be located at N46460867 ft, E1873125 ft with an estimated depth of 400 feet. Drilling application is presently pending.** (Response to Item 5) 400 foot water well is 300 feet + / - below the proposed mine development. The proposed mine development sits on top of the moenkopi layer, which provides a impermeable barrier that prevents contamination of the layers below this moenkopi layer.
2. **Two-inch pipeline and power-line will be encased in plastic conduit from a down-hole pump, along the access road in a buried trench at a depth of two feet, across the wash, and along the east side of the service site to pressure Holding Tank of 1000 gallons capacity. (see** Plan 6 **for location). Tank will be a certified pressure vessel. (The reason for the distance from the portal is to avoid any seismic damage from mining activity.)**
3. **Water will be temporarily hauled from Fry Spring during water well permitting and will be used for drill water during mining operations.**

G. **Ground Water**

Current drilling operations indicate there is no ground water present in the proposed mining operation area. (Item P)

H. **Ore Processing - No processing of ore will occur onsite.**

I. **Dust Suppression**

1. **A water truck will be used to spray the mine roads within the permit area, as needed. Water used will be obtained from Fry Spring (see** Plan 1 **for location) or from a water well to be drilled (see proposed site on** Plan 6**). Analyses of samples from these water sources are pending.**

2. **Dust emissions from waste rock storage piles will be mitigated by dust suppression, which includes use of approved wetting agents.**

3. **Dust emissions from the topsoil storage piles will be mitigated by seeding the piles with both a temporary fast-growing seed mix to stabilize the soil and the Reclamation Seed Mix** (Item H).

4. **Particulate emissions from truck and other vehicle traffic will be mitigated by use of good engineering practices, including enforcement of speed limits and water application.**

J. **Buildings and Services** (Plan 6)

1. **Shop building will be 30' x 40' built on a concrete slab. Office will be 8' x 24' also built on a concrete slab. Portable bathrooms, showers and locker buildings will be provided onsite.**

2. **Drinking water will be provided in sealed, 5-gallon water containers from Culligan Water Company. It will be transported to the site by the contractor's equipment and will be provided in quantities and frequencies as determined by usage.**

3. **Shower water will be transported to holding tanks supplied by Prairie Dawg Portable Services.**

4. **Chemical toilets will be provided and serviced by Prairie Dawg Portable Services.**

K. **A 2000 gallon fuel storage container will be onsite and will be placed within containment designed for 200% proposed spillage plus 100 year, 6-hour rain event. Tank will be located 110 feet from portals.** (Item F and Plan 6)

L. **Oils and Chemicals**

Oils, lubricants, and any chemicals will be stored in a locked partitioned area within the shop building, denoted "SHOP" on Plan 6 **according to a written hazard communication policy. This policy covers training, labeling, listing of chemicals, disposal, and material safety data sheets.**

M. **Bob's Sanitation will place an 18 or 30 cubic yard trash container on mine site near shop building, and as per contractual agreement, will empty on a scheduled basis but not less than monthly. Full trash container will be picked up and an empty container left in its place. Bob's Sanitation would dispose of trash at either the San Juan County landfill or the Grand County landfill, depending on the time of day that the trash is collected.**

N. **Portal Site**

1. **Portal site will excavate a 30-foot cut producing 3,030 yards^3 to produce a high wall with a 1:1 slope.**

2. **Slope will be stabilized with rock anchors on a 2 ½ x 2 ½ foot pattern, with chain link fabric, and covered with MSHA approved sealant.**

O. **Vent Site**

1. **Vent holes will be drilled after mine development.**
2. **Vent sites will have concrete foundations approximately 2 feet above ground level and will be 20 feet in diameter.**
3. **Vent hole will be seven feet in diameter with a six foot casing and a protection screen over the top.**
4. **Fans will be located underground.**
5. **Surface sites are located on existing disturbed roads and drill pads that were emplaced prior to 1980. Access to the vent sites is along existing roads. No new access roads will be emplaced.**
6. **A generator will be located at the portal site and will be used to provide power to mine.**
7. **The only power lines to be used will run underground from the generator to fans.**

P. **Employees and workers will be housed at Fry Canyon Lodge at the junction of CR B258 and Highway 95, and/or in local area communities. The Fry Canyon Lodge is 14 miles by CR B258 from the proposed operation. There will be no on site accommodation.** (Response to Item 7) **Workers will commute in one vehicle to the jobsite twice a day. One pickup truck will stay onsite for workers to commute from camp to mine site and vice versa. When there are two shifts per day, the trips will double to accommodate trips for the separate shifts.**

Q. (Response to Item 7) **It is anticipated that some type of support trucks will be onsite at least 3 times a week i.e. Portable toilet service, trash service, drinking water service, and fuel delivery companies.**

R. (Response to Item 7) **Ore trucks will make, on average, 5 to 6 trips per day (at the mill's discretion). The ore trucks carry approximately 25 tons of ore per trip.**

S. **Other equipment on site: Water truck, utility vehicles, and a four-wheeler will be kept onsite. A grader will be brought onsite periodically as needed.**

T. (Response to Item 4) **Further surface drilling of 22 holes will be conducted according to exploration permitting protocols. Approximate location of drill holes are show on map attached as Plan 7A.**

U. **Weed and invasive plant control will be conducted as stated in the attached "Noxious Weed and Invasive Plant Control" Plan (Item Y).**

V. (Response to Item 8) **Other permits and licenses that are required by other federal, state and local agencies are as follows:**

- **MSHA mine permit: Reliance Resources, contractor for the Daneros Mine, currently has a MSHA contract number M879. Utah Energy will submit for mine permit once we begin underground excavation.**

- MSHA training plan, escape and evacuation plan, and ventilation plan: These plans will be submitted to MSHA for approval, once we receive the mine permit number from MSHA.
- Storm Water Prevention Plan and Permit: Permit has been issued by State of Utah, Department of Environmental Quality. Permit No. UTR110738.
- Water use permit: Utah Energy will submit an application for water usage. Permission has been received from the current permit holder, Sandy Johnson, to use requested water sources.
- Air Quality: There is no permits required for our proposed mining plan. We are required to keep the dust to a minimum. The fugitive dust specification is 20% opacity. (per John Black/John Jenks, Division of Air Quaility)
- Radiation Control: There is no permits required for our proposed mining plan. (per John Hultquist, Low Level Radioactive Waste and Uranium Mill Tailings Health Physicist Section, Division of Radiation Control)
- No county, city, or local licenses are required to mine at this location.
- Pesticide application: Utah Energy will designate mine personnel who will become trained and licensed as required by Utah Department of Agriculture and Food.

6. **There will be no new roads and no roads will be improved.** (Response to Item 6) Access roads CR D0029 from CR B258 and to the mine areas will be kept clean by periodic grading and watering for dust suppression and road stability.

7. Total project surface acreage to be disturbed: **4.5 acres** (is a gross inclusion of all activity. This also includes the acreage needed for any future drilling disturbances.) (In response to Item 1. Also see areas noted on Plan 12)

8. Proposed startup date: **As soon as possible after mine plan approval is received from the State of Utah and BLM.**

9. Proposed completion date: **09/2016**

IV. OPERATION AND RECLAMATION PRACTICES (Rule R647-3-107, 108 & 109)

A. Concurrent Reclamation

1. **Reclamation will be concurrent with operations.**
2. **Waste dump will be deposited at reclaimed 2:1 slope. Re-vegetation will be done each fall on final reclaimed portions.**
3. **Waste dump will be wheel compacted.**
4. (Response to Item 4) Drill holes will be reclaimed concurrent with operations. Drill cuttings will be backfilled into drill hole to five feet from surface. Drill holes will then be plugged with a five foot cement surface plug. No water is expected to be encountered in drilling operations.

B. Mine yard and shop yard slopes will be as deposited 1:1 and will be reclaimed to a 2:1 slope and re-vegetated upon completion of operations. (Item C, C-1 and Plan 8, Plan 9)

C. All disturbed/active areas will have diversion ditches and SWPPP as described in SWI reports. (Plan 10-A and 10-B)

D. **At completion, ore storage area will be excavated to remove all radionuclide-bearing rock with values above background. Rock will either be transported to the White Mesa Mill for treatment or will be placed within the mine workings.**

E. **There is no topsoil at waste pile site and southern end of ore stockpile (See Plan 6 for location). Waste site is underlain by a 17 foot thickness of waste rock from previous (pre 1980) mining operations. Six inches of topsoil from northern end of ore stockpile site will be pushed up to the northeast side of the stockpile and stored. New disturbance piles as designed.** (Item G)

F. **The portals of the declines will be reclaimed by placing waste rock backfill from 30 feet inside each decline to the portal. Backfilling will also occur around and against each backfilled opening to create a natural appearing talus slope of approximately 2H:1V. A minimum of six inches of native topsoil will be placed over the backfilled surface, which will then be pocked with a backhoe or hydraulic excavator. The reclaimed "talus" slope will be broadcast seeded by hand with the Reclamation Seed Mix** (Item H) **in late autumn.**

G. **The two vent holes (525' and 380'deep)** (see Plan 7) **will be reclaimed with 6 ft of foam to seal the vent hole and then construct a reinforced concrete cap over the foam. The vent holes will be 7 ft in diameter with a 6 ft casing. The concrete cap will include small I-beams, angle iron, and rebar for structural support and a minimum thickness of six inches of concrete. The concrete cap will be covered by three to four feet of backfill then soil collected from within the area of disturbance associated with the vent hole. No topsoil salvage or storage will be required at each vent hole. All disturbed areas will be ripped, seeded, and covered with soil, in the late autumn. Vent hole areas will be seeded with the Reclamation Seed Mix** (see Item H).

V. VARIANCE REQUEST (Rule R647-3-110)

Are variances being requested? Yes **No X**

VI. SURETY (Utah Code Ann. §40-8-7(1)[c])

A reclamation contract and surety must be provided to and approved by the Division prior to commencement of operations. All mining operations are required to furnish and maintain reclamation surety to guarantee that the land affected is reclaimed (Utah Code Ann. §40-8-7(1)[c]).

The reclamation surety amount is based on the nature, extent and duration of operations. The amounts are based on data from current large mine surety and are used as a general guide, along with actual site conditions. Reclamation surety for small mines is reviewed every three (3) or five (5) years and adjusted as necessary for inflation/deflation based upon acceptable Costs Index. Contact the Division for the dollar amount required for a three (3) or five (5) year period for this project.

I have provided or will provide surety in the form of:

X Certificate of Deposit or Cash Deposit

VII. PERMIT FEE (Utah Code Ann. §40-8-7(1)(i))

A permittee's authorization under a notice of intention to conduct small mining operations shall require the paying of permit fees as authorized by the Utah Legislature (R647-3-102.5).

Permit fees are assessed to new and existing small mining operations, and annually thereafter, until the project disturbances are successfully reclaimed by the Permittee / Operator and released by the Division.

Small Mine Notices require a $150.00 fee, which must accompany this application, or the Division cannot process it.

VIII. SIGNATURE REQUIREMENT

(Please check the box if applicable and place your initials on the line provided)

_____ I have enclosed the required permit fee.

_____ I have enclosed/requested a Reclamation Contract (Form MR-RC) and the appropriate reclamation surety amount or have made arrangements as to when the surety will be furnished.

_____ I understand that I am not authorized to create any surface disturbance until the surety amount is posted and approved in writing from the Division of Oil, Gas and Mining and any other authorized regulatory agency.

CERTIFICATION

I state under penalty of perjury under the laws of the state of Utah and the United States of America that:

a) I have read this form and declare the information, statements and/or documentation are true, correct and complete to the best of my knowledge and belief; AND

b) I commit to the reclamation of the aforementioned small mining project as required by the Utah Mined Land Reclamation Act (40-8) and the rules as specified by the Board of Oil, Gas and Mining.

c) **This certification must be signed by:** (1) an executive officer if the applicant is a corporation; (2) a partner if applicant is a partnership (general or limited); (3) the owner, if applicant is a sole proprietorship; **or** (4) the member or manager if applicant is a limited liability company.

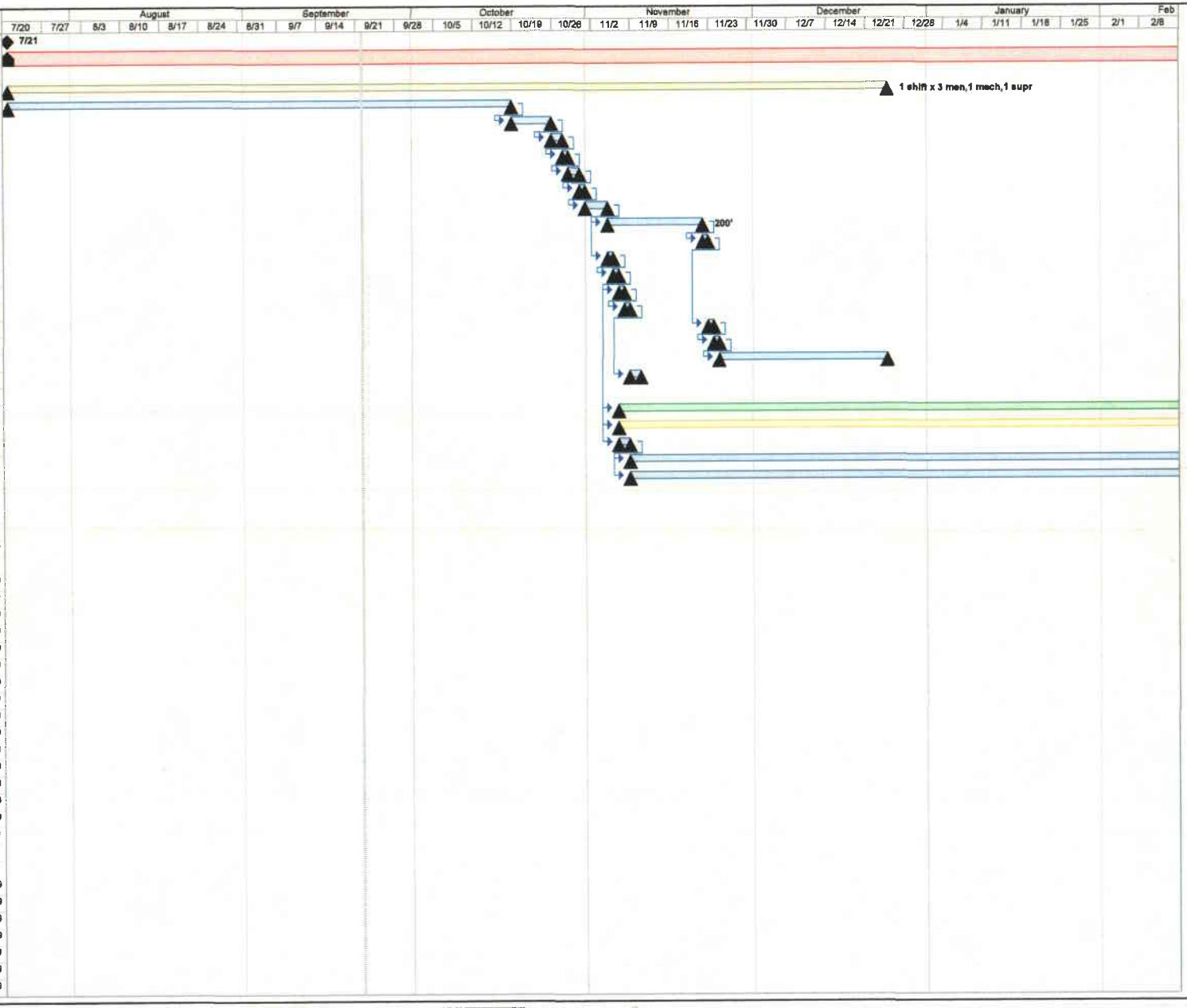
Signature:_____ Date:_____

Name (typed or printed): **Kelly Shumway, Vice President**

UTAH ENERGY CORPORATION

PROJECT SCHEDULE

ID	Task Name	Duration	Start	Finish
1	**NOTE: Dates are arbitrary**	0 days	Mon 7/21/08	Mon 7/21/08
2	***Daneros Project***	1033 edays	Mon 7/21/08	Fri 5/20/11
3				
4	**Surface Prep;**	**157 edays**	Mon 7/21/08	Thu 12/25/08
5	Permit	90 edays	Mon 7/21/08	Sun 10/19/08
6	Equipment Consolidation	7 edays	Sun 10/19/08	Sun 10/26/08
7	Mobilize to site	2 edays	Sun 10/26/08	Tue 10/28/08
8	Store top soil	1 eday	Tue 10/28/08	Wed 10/29/08
9	Cut portal	2 edays	Wed 10/29/08	Fri 10/31/08
10	Cut mine yard	1 eday	Fri 10/31/08	Sat 11/1/08
11	Complete portal	4 edays	Sat 11/1/08	Wed 11/5/08
12	Fill shop/building site	17 edays	Wed 11/5/08	Sat 11/22/08
13	Level building site	1 eday	Sat 11/22/08	Sun 11/23/08
14	Consruct fuel berm/site	1 eday	Wed 11/5/08	Thu 11/6/08
15	Set gen set & compressor	1 eday	Thu 11/6/08	Fri 11/7/08
16	Construct water crossing	1 eday	Fri 11/7/08	Sat 11/8/08
17	Cut waste site diversion ditch	1 eday	Sat 11/8/08	Sun 11/9/08
18	Install holding tank	1 eday	Sun 11/23/08	Mon 11/24/08
19	Set office/locker trailer	1 eday	Mon 11/24/08	Tue 11/25/08
20	Construct shop	30 edays	Tue 11/25/08	Thu 12/25/08
21	Construct waste/ore site	2 edays	Sun 11/9/08	Tue 11/11/08
22				
23	**Underground:**	**820 edays**	Fri 11/7/08	Sat 2/5/11
24	**Development;**	**120 edays**	Fri 11/7/08	Sat 3/7/09
25	Collar Portal	2 edays	Fri 11/7/08	Sun 11/9/08
26	Drive main decline, 970'	118 edays	Sun 11/9/08	Sat 3/7/09
27	Drive vent decline, 960'	118 edays	Sun 11/9/08	Sat 3/7/09
28				
29				
30	**Mine Production;**	804 edays	Sat 3/7/09	Fri 5/20/11
31	**North Ore development**	**229 edays**	Sat 3/7/09	Thu 10/22/09
32	W0 x-cut, 140'	10 edays	Sat 3/7/09	Tue 3/17/09
33	NW30-Vent, 160'	10 edays	Sat 3/7/09	Tue 3/17/09
34	NW Drift, 500	39 edays	Tue 3/17/09	Sat 4/25/09
35	NE Drift, 440'	34 edays	Sat 4/25/09	Fri 5/29/09
36	conector x-cuts, 4 x 20'	6 days	Fri 5/29/09	Fri 6/5/09
37	Bor vent hole	14 days	Mon 6/8/09	Thu 6/25/09
38	E0 x-cut, 180'	14 edays	Fri 6/5/09	Fri 6/19/09
39	NW100 x-cut, 200'	16 edays	Fri 6/19/09	Sun 7/5/09
40	Nw200 x-cut, 70'	5 edays	Sun 7/5/09	Fri 7/10/09
41	NW 300 x-cut, 40'	3 edays	Fri 7/10/09	Mon 7/13/09
42	NW400 x-cut, 40'	3 edays	Mon 7/13/09	Thu 7/16/09
43	NE 100 x-cut,370'	29 edays	Thu 7/16/09	Fri 8/14/09
44	NE200 x-cut, 220	17 edays	Fri 8/14/09	Mon 8/31/09
45	NE 300 x-cut, 90'	7 edays	Mon 8/31/09	Mon 9/7/09
46	NE 400 x-cut, 40	3 edays	Mon 9/7/09	Thu 9/10/09
47	NW50 drift, 280'	42 edays	Thu 9/10/09	Thu 10/22/09
48	**Mine production north end**	**575 edays**	Thu 10/22/09	Fri 5/20/11
49				
50				
51	**South Ore development**	**161 edays**	Tue 3/17/09	Mon 9/14/09
52	SW Drift, 190'	30 edays	Tue 3/17/09	Thu 4/16/09
53	SE Drift, 190'	30 edays	Thu 4/16/09	Sat 5/16/09
54	SW 100 x-cut, 200'	36 edays	Sat 5/16/09	Sun 6/21/09
55	conector x-cuts, 4 x 20'	3 edays	Sun 6/21/09	Wed 6/24/09
56	Bor vent hole	14 edays	Wed 6/24/09	Wed 7/8/09
57	SW 200 x-cut, 270'	42 edays	Wed 7/8/09	Wed 8/19/09



DANEROS PROJECT

Task — Progress — Summary — External Tasks — Deadline

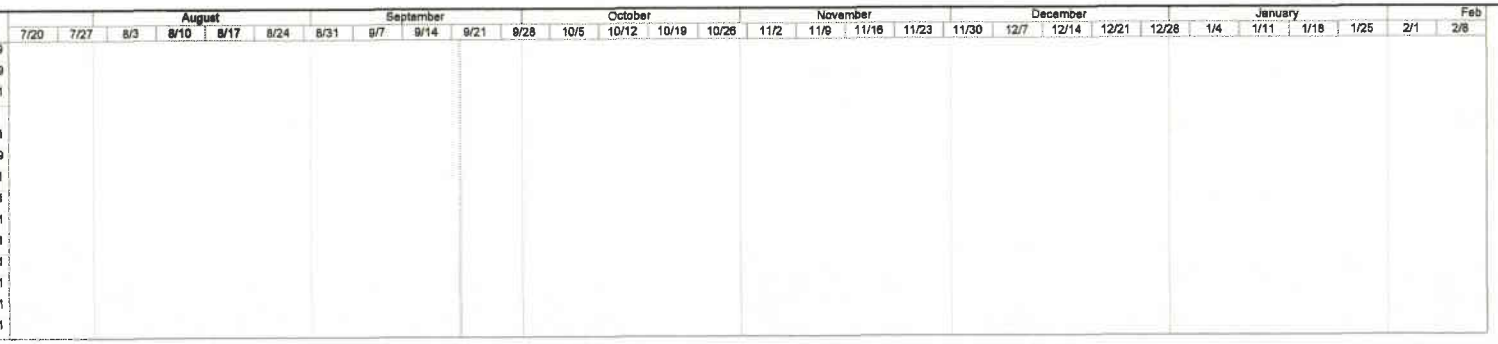
Split — Milestone — Project Summary — External Milestone

ITEM B

UTAH ENERGY CORPORATION

PROJECT SCHEDULE

ID	Task Name	Duration	Start	Finish
58	SE 100 x-cut, 110'	16 edays	Wed 8/19/09	Fri 9/4/09
59	SE 200 x-cut, 60'	10 edays	Fri 9/4/09	Mon 9/14/09
60	**Mine production south end**	**559 edays**	Mon 9/14/09	Sun 3/27/11
61				
62	**Reclamation**	13 edays	Fri 5/20/11	Thu 6/2/11
63	Waste pile, contour, reseed	1 eday	Wed 4/1/09	Thu 4/2/09
64	Ore pad, contour w/ topsoil	1 eday	Fri 5/20/11	Sat 5/21/11
65	Back fill portal	1 eday	Sat 5/21/11	Sun 5/22/11
66	Recontour mine yard	1 eday	Sun 5/22/11	Mon 5/23/11
67	Removel shop/office buildings	4 edays	Mon 5/23/11	Fri 5/27/11
68	Recontour building site	2 edays	Fri 5/27/11	Sun 5/29/11
69	Roads, rough grade	1 eday	Sun 5/29/11	Mon 5/30/11
70	Reseed all areas	1 eday	Mon 5/30/11	Tue 5/31/11
71	Water well, seal	1 eday	Tue 5/31/11	Wed 6/1/11



DANEROS PROJECT

Task — Progress — Summary — External Tasks — Deadline

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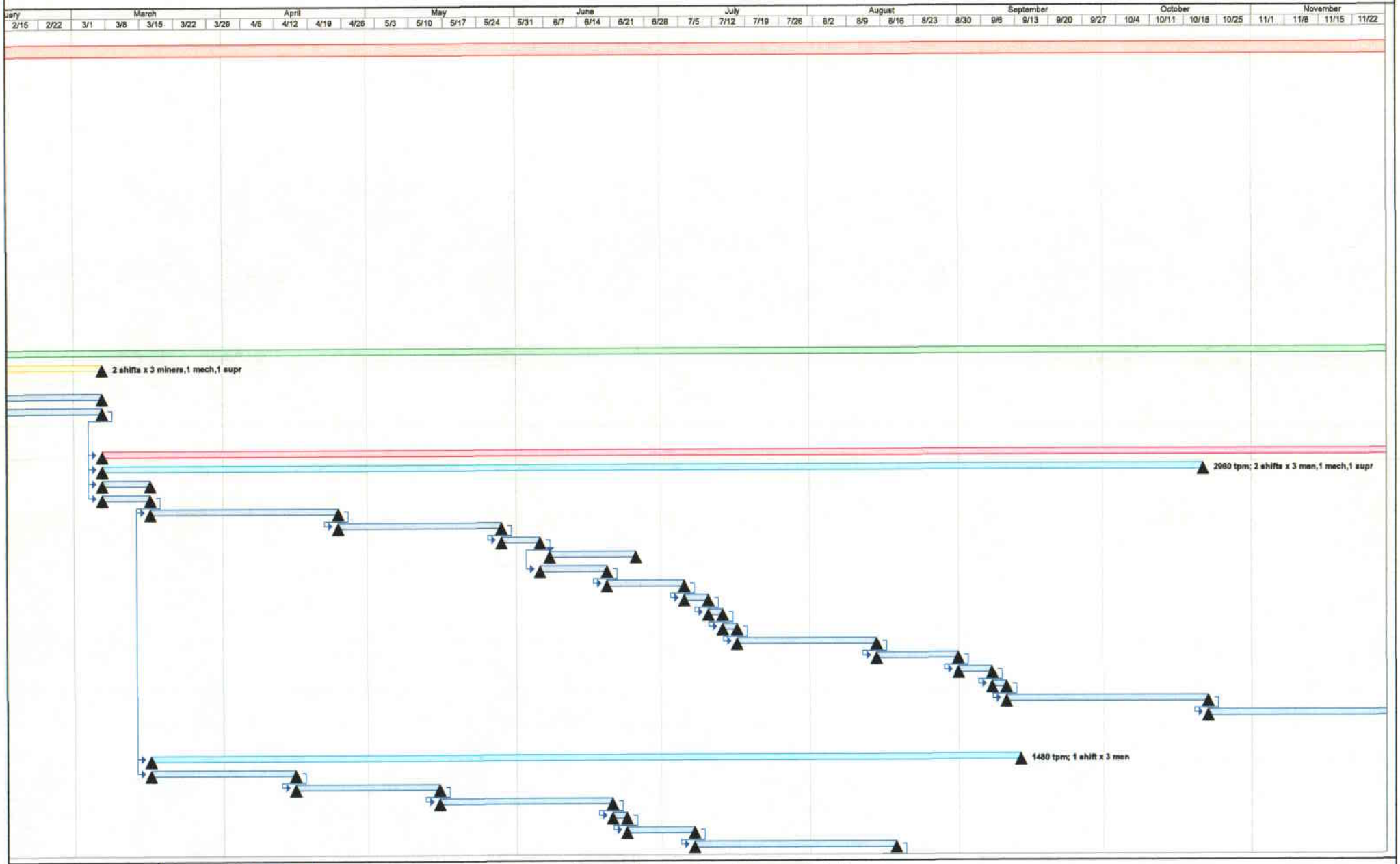
ITEM B

UTAH ENERGY CORPORATION

PROJECT SCHEDULE



DANEROS PROJECT

Task | Progress | Summary | External Tasks | Deadline

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ITEM B

UTAH ENERGY CORPORATION

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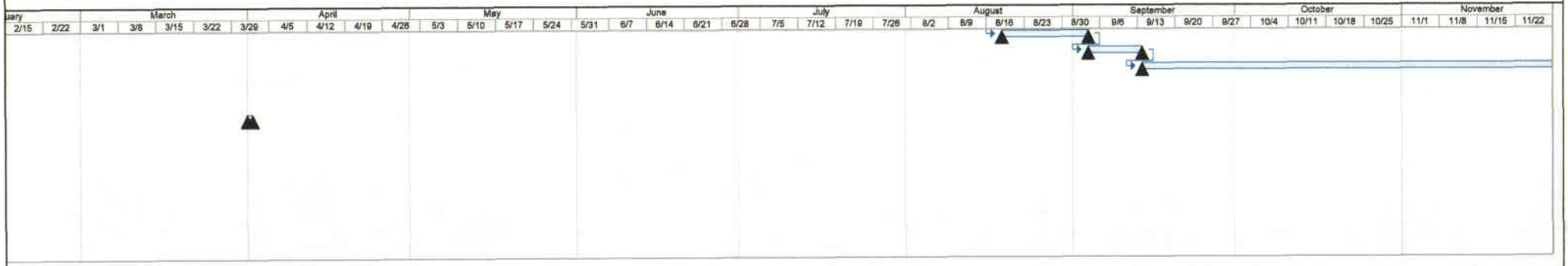

DANEROS PROJECT

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Split — Milestone — Project Summary — External Milestone

ITEM B

UTAH ENERGY CORPORATION

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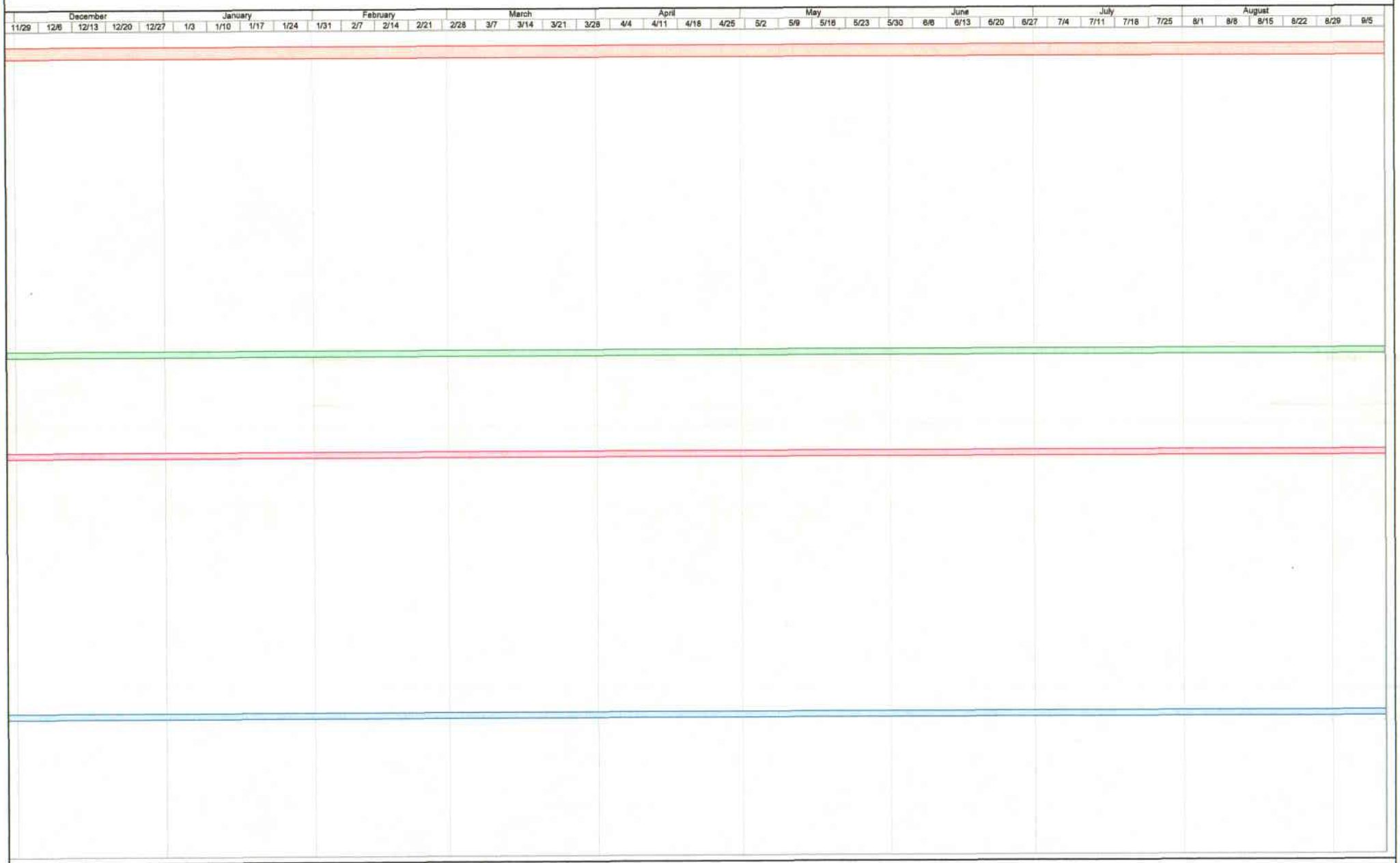

DANEROS PROJECT

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ITEM B

UTAH ENERGY CORPORATION

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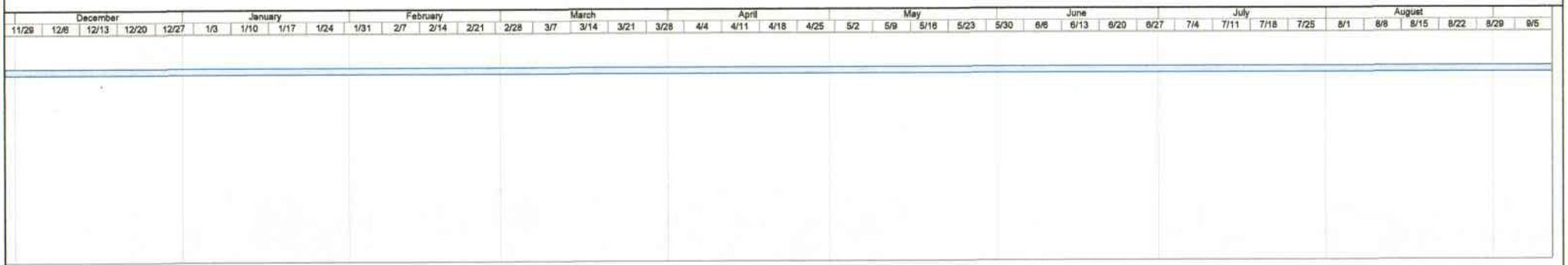

DANEROS PROJECT

Task — Progress — Summary — External Tasks — Deadline

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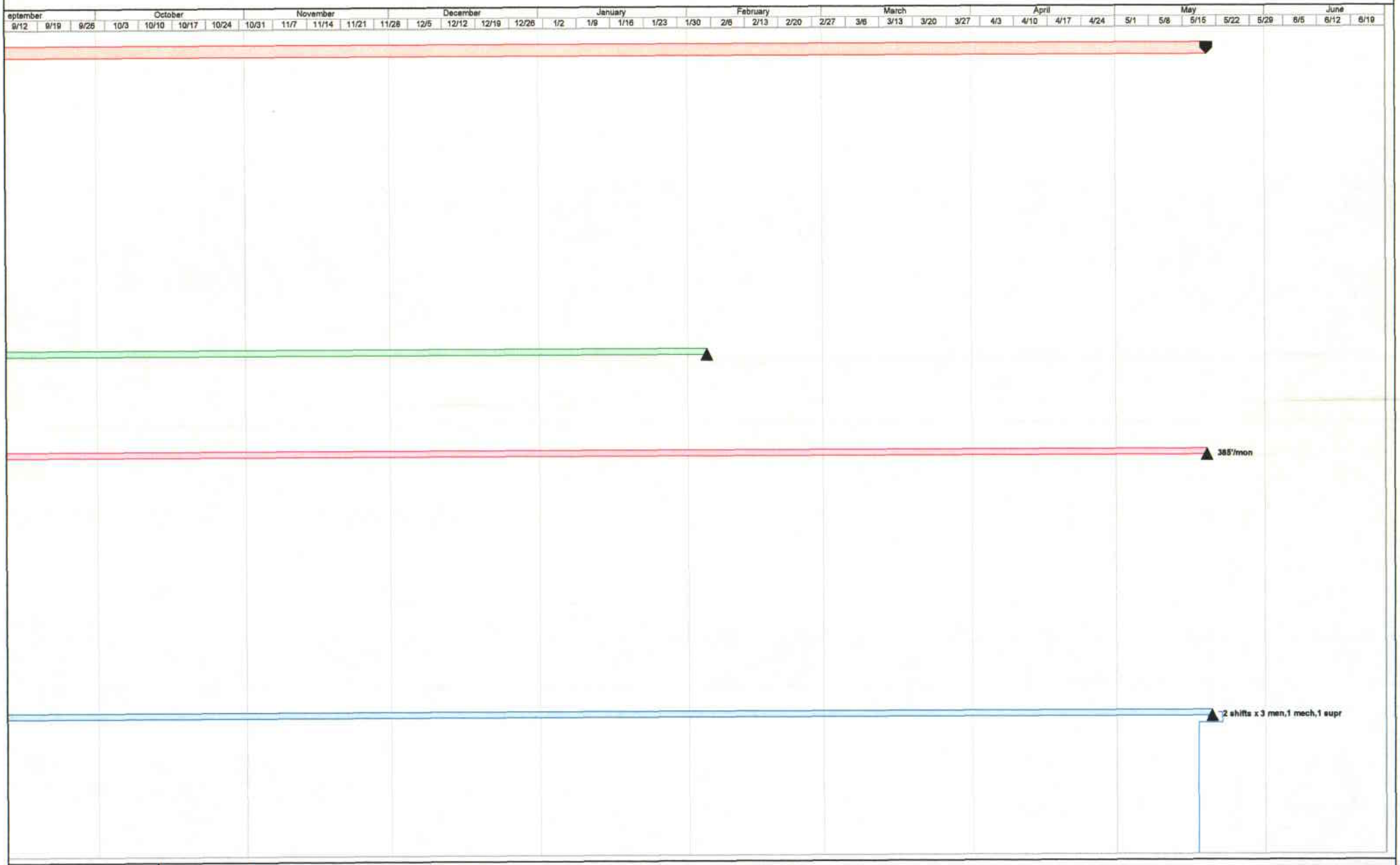
ITEM B

UTAH ENERGY CORPORATION

PROJECT SCHEDULE

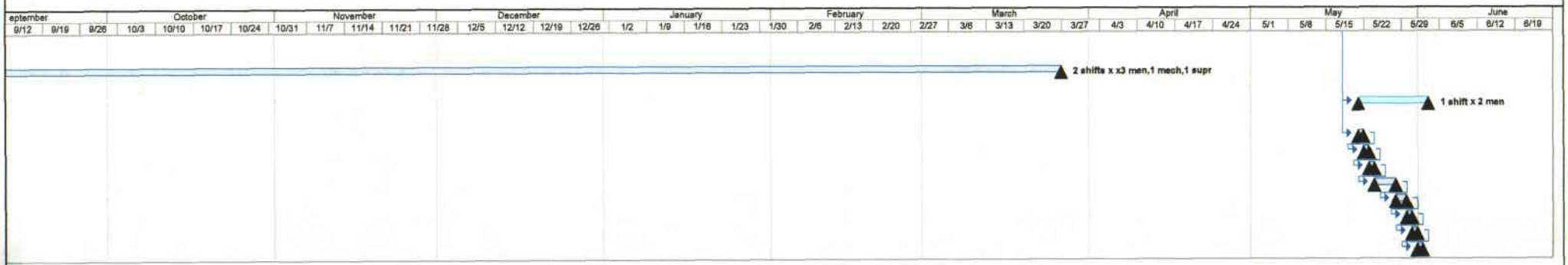


DANEROS PROJECT	Task	Progress	Summary	External Tasks	Deadline
	Split	Milestone	Project Summary	External Milestone	

ITEM B

UTAH ENERGY CORPORATION

PROJECT SCHEDULE



DANEROS PROJECT

Task | Progress | Summary | External Tasks | Deadline

Split | Milestone | Project Summary | External Milestone

ITEM B

Utah Energy Corporation
BLM Plan of Operations UTU-74631
Item B. Daneros-Workforce and Work Schedules
(Response to Item 3, BLM's "Plan of Operations Not Complete" letter)

Workforce will be as follows:

Shifts will consist of 10 or 12 hour work days/7 days per week.

Surface Prep Phase:
1 shift to include 3 miners, 1 mechanic, 1 supervisor

Underground Development Phase:
2 shifts to include 3 miners, 1 mechanic, 1 supervisor

Mine Production Phase-North Ore Development:
2 shifts to include 6 miners, 1 mechanic, 1 supervisor

Mine Production Phase-South Ore Development Phase:
1 shift to include 6 miners, 1 mechanic, 1 supervisor

Reclamation Phase:
1 shift to include 2 men

Denison Mines Corp.
6425 S. Highway 191, PO Box 809
Blanding, UT 84511
USA

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August 22, 2008

Mr. Mike Shumway
White Canyon Uranium Limited
1300 South Highway 191
PO Box 1032
Moab, Utah
84532

Dear Mr. Shumway:

Re: Gamma Survey at Propose Mine Site near Red Canyon

The following results are from our survey of the proposed mine site our your claim near the Red Canyon area in San Juan County Utah on August 22, 2008.

Entrance Road to site off of County Road 258 – 0.01 mR/hr
Old Bullseye Mine Site roadway – 0.03 mR/hr
Old Bullseye Mine Site Barricade – 0.2 mR/hr
Waste Rock area – 0.2 to 0.4 mR/hr
Streambed between waste rock area and proposed portal area – 0.02 mR/hr
Proposed portal area – 0.03 mR/hr
Proposed Shop/Office area – 0.03 mR/hr
Waste Rock area on stream side at base – 0.5 mR/hr
Streambed area below Waste Rock area – 0.1 to 0.3 mR/hr
Streambed area below Waste Rock area approximately 20 feet west of above reading – 0.08mR/hr
Proposed Venthole #1 (surface) – 0.02 mR/hr
Proposed Venthole #2 (surface) – 0.03 mR/hr
Roadway above the Proposed Venthole #2 – 0.01 mR/hr

Background readings along County Road 258 were 0.02 to 0.04 mR/hr. Measurements were taken using a Ludlum Model 3 SN 237483. Calibration on the instrument was March 13, 2008.

If you have any questions regarding this information, feel free to contact me at the White Mesa Mill at 435.678.2221 ext. 113.

Sincerely,

David Turk
Radiation Safety Officer
DENISON MINES (USA) CORP.

Minor sulfur levels below 2000 ppm are present. Coupled with the extensive dolomitization/carbonitization observed in core samples and by calcium and magnesium assays, this indicates no potential for acid production.

Waste from mining

The waste rock generated during mining represents an envelope of mudstone and sandstone of the basal Chinle Formation and the underlying Moenkopi Formation. Core samples from holes DAN009, DAN015, DAN016, DAN020 and DAN025 are presented in Item J as representative of waste from mining activities.

The cored rock was consigned to American Assay Laboratories of Sparks, NV for analysis for a broad spectrum of 70 elements. Results form Item J.

Analysis results show that the rock is un-mineralized with only background whole rock values for uranium, thorium and sulfur, and metals such as copper, lead, nickel and vanadium. There is no potential for the presence of appreciable radiological or heavy metal elements in decline development waste rock, or the development of acid mine drainage from such waste rock.

Minor sulfur levels below 2000 ppm are present. Coupled with the extensive dolomitization/carbonitization observed in core samples and by calcium and magnesium assays, this indicates no potential for acid production.

(Response to Item 10) **All sub-economic material produced from mining will be backfilled in worked out areas of the mine.**

3. **Ore characteristics**

The host rock is a dolomitic sandstone/conglomerate of the basal Chinle Formation. There is a loose association of uranium with the sulfide mineral chalcopyrite.

Selected sections of the ore body intersected in nine diamond core holes were assayed for a spectrum of 70 elements by American Assay Laboratories of Sparks, Nevada. Selected significant elements are presented in the Ore Characteristics Table, Item K.

Ore will have an average grade of 0.3% U3O8. Due to the association of ore with copper sulfide, sulfur levels will average 2.6% in shipping ore. Average copper grade will be 1.0%. Levels of other metals such as lead, zinc, nickel, mercury and arsenic are low. The ore is carbonate rich, in the form of dolomite and calcite, which will buffer the breakdown of sulfide minerals and inhibit the potential for acid formation..

The Ore stockpile will be small. Ore will be transported to the White Mesa mill on a daily or near-daily basis and will not be stored on site for long periods. Given the short period of time spent on the ore stockpile, there is no potential for the formation of acid drainage from ore at the surface.

4. **Soil Baseline Study**

Soil samples were collected for laboratory analysis from the areas selected for the ore stockpile and waste dumps, as well as undisturbed areas in the immediate vicinity as reference controls for any radionuclide contamination. The samples were analyzed by Energy Laboratories Inc of Caspar, Wyoming, for radium 226 and thorium 230.

UTAH ENERGY CORPORATION
NOXIOUS WEED AND INVASIVE PLANT CONTROL

1.0 Introduction

This plan was developed to identify noxious weed and invasive plant control practices that would be implemented at the Daneros Mine site in San Juan County, Utah. Utah Energy Corporation (UEC) plans to open the Daneros Mine, which will be an underground uranium mine. The Utah Noxious Weed Act (Utah 2006) defines a noxious weed as any plant that is determined by the Commissioner of Agriculture to be especially injurious to public health, crops, livestock, land, or other property. Equipment and supplies necessary for construction and future operation and maintenance (O&M) activities, and the activities themselves, are possible agents for the spread of noxious and invasive plants (Sheley and others, 1999). Construction, maintenance, and mining vehicles can potentially carry seeds into the project area, and from one part of the area to another. The risk of establishing a weed and invasive plant community increases with ground disturbing maintenance activities (Sheley and others, 1999). Executive Order 13112 requires that each federal agency:

- prevent the introduction and spread of invasive species,
- detect and respond rapidly to control such species,
- monitor invasive species populations, and
- provide for restoration of native species and habitat conditions in ecosystems that have been invaded (USFR 1999).

Nineteen species have been designated in the Utah Noxious Weed Act (Utah 2006) as state noxious weeds. The Utah Bureau of Land Management (BLM) has designated several other invasive plants as new and invading weeds that have the potential to become noxious weeds or otherwise cause problems with the local plant communities (BLM 2004). Noxious weeds listed by the State of Utah and new and invading weeds identified by BLM are presented in Table 1-1.

Table 1 – Utah Noxious and New and Invading Weeds

Utah Noxious Weeds List[1]	
Bermudagrass	*Cynodon dactylon*
Canada thistle	*Cirsium arvense*
Diffuse knapweed	*Centaurea diffusa*
Dyers	woad *Isatis tinctoria*
Field Bindweed (Wild Morning Glory)	*Convolvulus arvensis*
Hoary cress (small whitetop, whitetop)	*Cardaria draba*
Johnsongrass (Perennial sorghum)	*Sorghum halepense*
Leafy spurge	*Euphorbia esula*
Medusahead	*Taeniatherum caput-medusae*
Musk thistle	*Carduus nutans*
Perennial pepperweed (tall white-top)	*Lepidium latifolium*
Perennial sorghum	*Sorghum halepense* and *sorghum almum*
Purple loosestrife	*Lythrum salicaria*
Quackgrass	*Agropyron repens*
Russian knapweed	*Centaurea repens*
Scotch thistle	*Onopordum acanthium*
Spotted knapweed	*Centaurea maculosa*
Squarrose knapweed	*Centaurea squarrosa*
Yellow star thistle	*Centaurea solstitiali*

New and Invading Weeds[2]

Black henbane	*Hyoscyamus niger*
Buffalobur	*Solanum rostratum*
Camel thorn	*Alhagi camelorum*
Dalmatian toadflax	*Linaria dalmatica*
Goatsrue	*Galega officinalis*
Jointed goatgrass	*Aegilops cylindrical*
Poison hemlock	*Conium maculatum*
PunctureVine (Goat's head)	*Tribulus terristris*
Purple starthistle	*Centaurea calcitrapa*
Salt cedar (tamarisk)	*Tamarix chinensis or T. ramosissima*
Small flowered tamarisk	*Tamarix parviflora*
Silverleaf nightshade	*Solanum elaeagnifolium*
St. Johnswort	*Hypericum perforatum*
Velvetleaf *Abutilon*	*Abutilon theophrasti*
Water hemlock	*Cicuta douglasii (C. maculata)*
Wild proso millet	*Panicum miliaceum*
Yellow nutsedge	*Cyperus esculentus*
Yellow toadflax	*Linaria vulgaris*

[1]. Source: State of Utah Department of Agriculture and Food (UTDAF 2007)
[2]. Source: BLM 2004

2.0 Plan Purpose

The weed control plan is part of the overall operations and reclamation plans. The purpose of this weed control plan is to prevent and control the spread of noxious weeds and invasive plants during and following construction, operations and reclamation. UEC and its contractors will be responsible for carrying out the methods described in this plan.

The Weed Management Plan will implement preventative measures to keep the project area free of species that are not yet established there but which are known to be pests elsewhere in the region. The Plan will set priorities for the control or elimination of weeds that have already established on the site, according to their actual and potential impacts on native species and communities. UEC and its contractors will take action only when careful consideration indicates leaving the weed unchecked will result in more damage than controlling it with available methods. This strategy will be developed in coordination with the BLM. The focus of UEC's weed management efforts will be to prevent the spread of new populations resulting from project activities and to reduce or eliminate existing infestations in the project area. Without concurrent control of weed infestations in the surrounding land, weed control efforts in the project area by UEC will likely be unsuccessful.

3.0 Objectives

For the project area, the objectives of noxious weed and invasive plant control are: to reduce or eliminate existing infestations and prevent the spread of new and existing populations of noxious weeds and invasive plants within the project area to the extent feasible for the life of the project, and to coordinate and consult with designated BLM personnel regarding all noxious weed control activities conducted by UEC to ensure compatibility with existing weed control protocol.

4.0 Weed Control Area

The area for noxious weed and invasive plant control (hereafter referred to as the 'weed control area') includes all lands disturbed by construction activities plus a 10-foot buffer area around disturbances. Activity associated with opening of the Daneros Mine includes approximate surface disturbance associated with the opening of one portal and two ventilation holes. Proposed operational disturbance within the mine plan area includes a surface facility area, one adit, and two ventilation holes. Upon completion of the proposed surface facility and sediment control structures, total acreage of the disturbance within the study area would be approximately 4.5 acres, excluding the buffer area. UEC will assume responsibility for control of noxious and invasive plants in the weed control area.

5.0 Noxious Weed Management

Weeds and invasive species are spread by a variety of means including humans (e.g., workers, hikers and recreationalists, etc.), vehicles, construction equipment, construction and reclamation materials, livestock, and wildlife. Implementation of preventive measures to control the spread of noxious weeds and invasive plants is the most cost-effective management approach.

6.0 Preventive Measures

The following preventive measures would be implemented to prevent the spread of noxious/invasive plants during construction and future activities:

1. Prior to construction, UEC and its contractors will be trained on methods for cleaning equipment, identification of problem plant species in the project area, and procedures to follow when an invasive or noxious weed is located. To assist in identification, the contractor will be supplied with a list and pictures of noxious and invasive species that may exist within the project area.

2. Prior to any construction disturbance, all known noxious weed populations will be flagged so that they may be avoided.

3. Prior to entering the project area, vehicles and equipment will be cleaned by manual methods or forced air of all mud, dirt, and plant parts where there is a potential to import weeds. This will be done to remove weed seed that may be attached to this equipment. Dry washing will occur at designated sites that include appropriate containment systems.

4. Equipment, materials, and vehicles will be stored at specified work areas or construction yards. All personal vehicles, sanitary facilities, and staging areas will be confined to a limited number of specified weed-free locations to decrease chances of incidental disturbance and spread of noxious weeds and invasive plants.

5. Disturbed areas will be promptly seeded following completion of activities to reduce the potential for the spread and establishment of noxious weeds and invasive plants. Seeding should occur as soon as possible following the disturbance activities and during the optimal time period. Only county/BLM-approved mixtures of certified "weed-free" seed will be used. All other introduced materials used for the mining activities, such as straw and fill, shall also be certified weed-free.

7.0 Control Measures

If pesticides are used in the project area, an integrated pest management plan would be developed to ensure that applications will be conducted consistent with BLM policies.

Assuming the project will begin construction in 2008, UEC will flag all known noxious/invasive plants (for avoidance) prior to the time of construction to prevent the spread of existing populations found in the designated weed control area. Following construction, annual spraying will begin, likely during the months of May and June; however the potential for fall treatment does exist for some species. Annual spraying will continue as necessary to control noxious/invasive plants in the weed control area for the life of the project.

Using the prior years' survey information, annual spraying will be planned by UEC and coordinated with BLM to ensure spraying will be conducted at the proper growing period, during favorable environmental conditions, and will use the appropriate chemicals to control targeted species. The chemicals used must be approved for use.

Only EPA-registered pesticides will be used. Pesticide use shall be limited to non-persistent, immobile pesticides and will be applied in accordance with label and application permit directions. Spraying will be conducted by UEC mine personnel trained in pesticide use and in consultation with designated BLM personnel. The applicator used must possess a Utah State Pesticide Applicators License. Rather than broad application, the intent of applying herbicide will be to treat only designated areas.

It is anticipated that most spraying will be conducted using ATV-mounted spray equipment, supported by one or more four-wheel drive pickups equipped with water tanks. Pickups will carry necessary chemicals, fluid pumps, tools, and water to provide a base station for refilling of ATV spray tanks. Spraying infestations within the weed control area will be conducted by ATV, using hand-held spray guns with 25 to 50 foot hoses attached to spray tanks or by using 8 to 12 foot spray booms. The spray booms will be utilized for treating larger areas on roadbeds and on gentle to moderately steep terrain. All spraying equipment shall be calibrated to ensure the proper rate of herbicide is applied.

Following annual spraying, a monitoring survey will be conducted to verify locations of noxious weeds and invasive plants in the project vicinity. These monitoring surveys are expected to occur in the late summer/early fall (August-September). The locations of areas with noxious weeds will be identified with GPS coordinates and provided to the BLM.

8.0 Reporting

Beginning with the fall/winter of 2008 (November 2008 to February 2009), UEC will prepare and submit a status report to designated federal, state and county personnel regarding the previous years' weed control activities. The winter 2008 report will detail baseline conditions regarding the occurrence, distribution, and abundance of listed species located in the project area, weed control activities accomplished to date, and expected activities for the following year. Each subsequent years' report will 1) detail the current status of noxious weed and invasive plant occurrence, distribution and abundance, 2) summarize activities conducted in the project area during previous years, and 3) outline projected activities for the following year. This will include timing of surveys, herbicide treatments, amount and types of chemicals applied, and a list of participants and their activities. These reports will continue annually from winter 2008 for the life of the project, or as required by designated federal, state and county personnel to ensure long-term noxious/invasive plan control measures are met in the weed control area.

9.0 References

Bureau of Land Management (BLM). 2004. Richfield Field Office Resource Management Plan. Management Situation Analysis, June 2004.

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USFR (U.S. Federal Register). 1999. "Presidential Document, Executive Order 13112. Invasive Species," Federal Register 64:6183-6186.

Utah Department of Agriculture and Food (UTDAF). 2007. Utah Noxious Weed List. State of Utah Department of Agriculture and Food, Salt Lake City, Utah. Available at http://ag.utah.gov/plantind/nox_utah.html

Figure 1 – Utah Noxious Weeds

Bermudagrass[1]

Canada thistle[1]

Diffuse knapweed[2]

Dyers woad[3]

Field Bindweed (Wild Morning Glory)[1]

Hoary cress (small whitetop, whitetop)[1]

Johnsongrass (Perennial sorghum) [1]

Leafy spurge [3]

Medusahead [4]

Musk thistle [7]

Perennial pepperweed (tall white-top) [2]

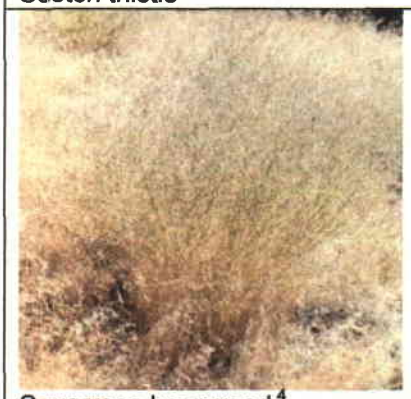
Purple loosestrife [3]

Quackgrass [5]

Russian knapweed [6]

Scotch thistle [1]

Spotted knapweed [1]



Squarrose knapweed [4]

Yellow star thistle [3]

References:
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